

Arizona's Child Care Recovery Plan

CCDF COVID-19 Federal Relief Funding Overview (FY 2022-24)

*Supporting the well-being and economic independence of Arizona's families
by providing quality child care assistance and services.*

Updated: July 2021

Child Care and Development Fund: National

Major funding impact to the child care network since March 2020

- Since the onset of COVID-19, Congress has sought to stabilize the child care industry with an influx of emergency CCDBG funding, including:
 - \$3.5 billion in the *Coronavirus Aid, Relief, and Economic Security Act* in March 2020
 - \$10 billion in the *Coronavirus Response and Relief Supplemental Appropriations Act, 2021* in December 2020
 - \$39 billion in *American Rescue Plan Act, 2021* in March 2021



Child Care and Development Fund: Arizona

Funding Impact to Arizona Child Care and Development Fund:

- \$88 million: CARES Act (March 2020)
- \$248 million: CRRSA (December 2020)
- \$968.6 million: ARPA (March 2021)

Total: \$1.3 billion for Arizona's CCDF program (*to be expended between March 2020-June 2024*)

→ Arizona's regular CCDF allocation is approximately \$210 million (\$69.2M in mandatory and matching funds)

Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA)

Source: [congress.gov/116/bills/hr133/BILLS-116hr133enr.pdf](https://www.congress.gov/116/bills/hr133/BILLS-116hr133enr.pdf)

CRRSA - Overview

- Funding allocation based on CCDF Discretionary formula
 - **Arizona's allocation = \$248 million**
- Can be used for allowable obligations incurred prior to the enactment of the law on December 27, 2020.
- Must be used to supplement not supplant general revenue funds.
- Must be obligated by September 30, 2022 and liquidated by September 30, 2023.
- State and Territory Planned Use of CRRSA Reports (February 2021):
<https://www.acf.hhs.gov/occ/data/2021-crrsa-60-day-reports-states-and-territories>

CRRSA - Arizona

- Arizona is focused on supporting growth and sustainability of Arizona's quality child care system, ensuring widespread access to quality child care across the state, providing support to low-income working families through:
 - Direct Child Care Services (Subsidies)
 - Grants or Assistance (Other than Subsidies) to Stabilize Child Care Providers
 - Assistance to Providers Not Participating in the Subsidy System Prior to the Pandemic
 - Child Care Licensing Modernization and Business Management Support

Source: <https://www.acf.hhs.gov/occ/data/2021-crrsa-60-day-reports-states-and-territories>

American Rescue Plan Act, 2021 (ARPA)

Source: [congress.gov/bill/117th-congress/house-bill/1319/text](https://www.congress.gov/bills/117/house-bills/1319/text)

ARPA - CCDF Supplemental Discretionary Funds

Total Arizona ARPA allocation = \$968.6 million for Discretionary and Stabilization Grant Funds

CCDF Supplemental Discretionary Funds

- Arizona's allocation = \$372.2 million
- States must obligate funds by 9/30/23; liquidate by 9/30/24
- No supplantation for federal, state and local funds used for child care
- Broad language - not required to be used for COVID-19 related expenses

ARPA - CCDF Stabilization Grants

CCDF Stabilization Grant Funds

- Arizona's allocation = \$596.4 million
- States must obligate funds by 9/30/22; liquidate by 9/30/23
- Requires sub-grants to “qualified, eligible child care providers” that must certify they will:
 - Implement policies in line with local and CDC guidelines;
 - Pay not less than full compensation, including benefits for each employee and will not take action that reduces weekly compensation;
 - Provide relief for families from co-payments and tuition; and
 - Prioritize families that are struggling to pay tuition.

ARPA - CCDF Stabilization Grants, cont.

- Sub-grant amount based on provider's current operating expenses at time of application, including costs associated with COVID-19 and to sufficiently cover operating expenses to sustain services during grant period.
- State may set aside 10% for administration, TA support, publicize availability, and carry out activities to increase the supply.
- No supplantation of federal, state, local funds used for child care.

ARPA - CCDF Stabilization Grants, cont.

- Providers must use funds for at least one of the following:
 - Personnel costs, including payroll and salaries or similar compensation, employee benefits, premium pay, or costs for employee recruitment and retention.
 - Rent or payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance.
 - PPE, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices.
 - Purchases of or updates to equipment and supplies to respond to the COVID-19 public health emergency.
 - Goods and services necessary to maintain or resume child care services.
 - Mental health supports for children and employees.

Arizona Child Care Recovery Plan: Resources

Additional Resources:

- [Arizona Child Care Administration](#) *(visit for updates on Recovery and Stabilization Grants)*
- [U.S. Department of Health & Human Services Office of Child Care](#)
- [National Indian Child Care Association](#) *(supporting Arizona's 13 CCDF Tribal Nations)*